

## 1997 California Corporation Franchise or Income Tax Return

100

For calendar year 1997 or fiscal year beginning												M	M	D	D	1	9	9	7	, and ending	M	M	D	D	1	9	Y	Y	.
California corporation number						Federal employer identification number (FEIN)																							
Corporation name																													
Address																													
City						State						ZIP code																	

A Final return? ☐ Dissolved ☐ Surrendered (Withdrawn) ☐ Merged/Reorganized  
☐ IRC Section 338 sale If a box is checked, enter date ☐

B Is income included in a combined report of a unitary group? ☐ Yes ☐ No  
 If yes, indicate: ☐ wholly within CA (R&TC 25101.15) ☐ within and outside of CA

C Principal business activity code (Do not leave blank) ☐

D Check here if the corporation does not need tax forms mailed next year. ☐

E Was the corporation's income included in a consolidated federal return? ☐ Yes ☐ No

**Questions continued on Side 2**

<b>State Adjustments</b>	1 Net income (loss) before state adjustments. See instructions . . . . .	● 1		
	2 Amount deducted for foreign or domestic tax based on income or profits . . . . .	● 2		
	3 Amount deducted for tax under the provisions of the Bank and Corporation Tax Law . . . . .	● 3		
	4 Interest on government obligations . . . . .	● 4		
	5 Net California capital gain from Schedule D, line 11 . . . . .	● 5		
	6 Depreciation and amortization in excess of amount allowed under California law. Attach form FTB 3885. . . . .	● 6		
	7 Other additions. Attach schedule(s) . . . . .	● 7		
	8 Total. Add line 1 through line 7 . . . . .	● 8		
	9 Intercompany dividend deduction (Schedule H) . . . . .	● 9		
	10 Other dividend deduction (Schedule H) . . . . .	● 10		
	11 Water's-edge dividend deduction (Schedule H) . . . . .	● 11		
	12 Capital gain from federal Form 1120 or Form 1120A, line 8. . . . .	● 12		
	13 Contributions . . . . .	● 13		
	14 EZ, LARZ or LAMBRA business expense and net interest deduction. . . . .	● 14		
	15 Other deductions. Attach schedule(s) . . . . .	● 15		
	16 Total. Add line 9 through line 15. . . . .	● 16		
	17 Net Income (loss) after state adjustments. Subtract line 16 from line 8. See instructions. . . . .	● 17		

## If income is from sources both within and outside California, complete Schedule R.

<b>Calif. Net Income</b>	18 Net income (loss) for state purposes. If net loss, see instructions . . . . .	● 18		
	19 Net operating loss (NOL) carryover deduction. See instructions . . . . .	● 19		
	20 EZ, LARZ or LAMBRA NOL carryover deduction. See instructions . . . . .	● 20		
	21 Disaster loss carryover deduction. See instructions . . . . .	● 21		
	22 Net income for tax purposes. Combine line 19 through line 21, then subtract from line 18. . . . .	● 22		
<b>Taxes</b>	23 Tax. _____% x line 22 (not less than minimum franchise tax, if applicable) . . . . .	■ 23		
	24 Enter credit name _____ code no. _____ and amount . . . . .	▶ 24		
	25 Enter credit name _____ code no. _____ and amount . . . . .	▶ 25		
	26 Enter credit name _____ code no. _____ and amount . . . . .	▶ 26		
	27 To claim more than three credits, see instructions . . . . .	● 27		
	28 Add line 24 through line 27. . . . .	■ 28		
	29 Balance. Subtract line 28 from line 23 (not less than minimum franchise tax, if applicable) . . . . .	■ 29		
	30 Alternative minimum tax. Attach Schedule P (100). See General Information J . . . . .	■ 30		
	31 Total tax. Add line 29 and line 30. . . . .	■ 31		
	32 Additional SOS prepayment tax. See instructions. . . . .	■ 32		
	33 Adjusted total tax. Add line 31 and line 32 . . . . .	■ 33		

<b>Pay-ments</b>	34 Overpayment from prior year allowed as a credit. . . . .	■ 34		
	35 1997 estimated tax payments. . . . .	■ 35		
	36 Amount paid with extension of time to file return . . . . .	■ 36		
	37 Total payments. Add line 34 through line 36 . . . . .	■ 37		
<b>Amount Due or Refund</b>	38 Tax due. If line 33 is more than line 37, subtract line 37 from line 33. Go to line 42 . . . . .	■ 38		
	39 Overpayment. If line 37 is more than line 33, subtract line 33 from line 37. . . . .	■ 39		
	40 Amount of line 39 to be credited to 1998 estimated tax . . . . .	■ 40		
	41 Amount of line 39 to be refunded . . . . .	■ 41	\$	
	42 Penalties and interest. See General Information M and N. . . . .		42	
	<input type="checkbox"/> Check if estimate penalty was computed using Exception B or C and attach form FTB 5806.			
	43 Total amount due. Add line 38 and line 42. Pay this amount . . . . .	43	\$	

## Schedule D California Capital Gains and Losses

## Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less Use additional sheet(s) if necessary.

(a) Kind of property and description (Example, 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain (loss) ((d) less (e))
1					
2	Short-term capital gain from installment sales from form FTB 3805E, line 26 or line 37				2
3	Unused capital loss carryover from 1996				3
4	Net short-term capital gain (loss). Combine line 1 through line 3				4

## Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year Use additional sheet(s) if necessary.

5					
6	Enter gain from Schedule D-1, line 7 or line 9				6
7	Long-term capital gain from installment sales from form FTB 3805E, line 26 or line 37				7
8	Net long-term capital gain (loss). Combine line 5 through line 7				8
9	Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)				9
10	Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)				10
11	Total line 9 and line 10. Enter here and on Form 100, Side 1, line 5. Note: If losses exceed gains, carry forward losses to 1998				11

## Schedule J Add-On Taxes and Recapture of Tax Credits. See instructions.

1	LIFO recapture due to S corporation election (IRC Sec. 1363(d) deferral: \$ _____)	1
2	Interest computed under the look-back method for completed long-term contracts (Attach form FTB 3834)	2
3	Interest on tax attributable to installment: a Sales of certain timeshares and residential lots	3a
	b Method for nondealer installment obligations	3b
4	IRC Section 197(f)(9)(B)(ii) election	4
5	Credit recapture name: _____	5
6	Combine line 1 through line 5. Revise Side 1, line 38 or line 39, whichever applies, by this amount. Write "Schedule J" to the left of line 38 or line 39	6

## Questions (continued from Side 1)

F Did this corporation or its subsidiary(ies) have a change in control or ownership, or acquire ownership or control of any other legal entity this year? ☐ Yes ☐ No

G Is this corporation to be treated as a credit union? ☐ Yes ☐ No

H Is this corporation apportioning income to California using Schedule R? ☐ Yes ☐ No

I Is this corporation treated as a REMIC for California purposes? ☐ Yes ☐ No

J Date incorporated: \_\_\_\_\_ Where: State ☐ Country \_\_\_\_\_

K Is this corporation an LLC electing to be taxed as a corporation for federal purposes? ☐ Yes ☐ No

L Date business began in California or date income was first derived from California sources ☐

M Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other

N Location of principal accounting records \_\_\_\_\_

O Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? ☐ Yes ☐ No

P First return? Check appropriate box(es).  
(1) ☐ New business or successor to previously existing business operated as a:  
(2) ☐ sole proprietorship (3) ☐ partnership (4) ☐ joint venture (5) ☐ corporation (6) ☐ other  
(attach statement showing name, address and FEIN of previous business)

Q "Doing business as" name: ☐

R Did this corporation or one of its subsidiaries make a federal election to be treated as a foreign sales corporation (FSC) or a domestic international sales corporation (DISC)? ☐ Yes ☐ No

S Is this corporation a RIC for California purposes? ☐ Yes ☐ No

T At any time during the income year, was more than 50% of the voting stock:  
a Of the corporation owned by any single interest? ☐ Yes ☐ No  
b Of another corporation owned by this corporation? ☐ Yes ☐ No  
c Of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? ☐ Yes ☐ No  
If a or c is "yes" enter the country of the ultimate parent ☐  
If a, b or c is "yes," furnish a statement of ownership indicating pertinent names, addresses, and percentages of stock owned. If the owner(s) is an individual, provide the SSN.

U Have all required information returns (e.g. federal Forms 1099, 5471, 5472, 8300, etc.) been filed with the Franchise Tax Board? ☐ N/A ☐ Yes ☐ No

V Corporation headquarters are: (1) ☐ Within California  
(2) ☐ Outside of California, within the U.S. (3) ☐ Outside of the U.S.

W How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 86-272? ☐

X Is this corporation a REIT for California purposes? ☐ Yes ☐ No

Y Is 50% or more of the stock of this corporation owned by another corporation during this income year? ☐ Yes ☐ No

Z During the income year, were gross receipts (less returns and allowances) of this corporation more than \$1 million? ☐ Yes ☐ No

Is this corporation filing on a water's-edge basis pursuant to R&TC Sections 25110 and 25111 for the current income year? ☐ Yes ☐ NoPlease  
Sign  
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature  
of officer

Title

Date

Telephone ( )

Preparer's  
signature

Date

Check if self-  
employed ☐

Preparer's SSN/FEIN

Paid  
Preparer's  
Use OnlyFirm's name (or yours,  
if self-employed)  
and address

FEIN

Telephone ( )

Schedule A **Taxes Deducted** Use additional sheet(s) if necessary.

(a) Nature of tax	(b) Taxing authority	(c) Total amount	(d) Nondeductible amount
<b>Total.</b> Enter total of column (c) on Schedule F, line 17, and amounts in column (d) on Side 1, line 2 or line 3 . . .			

Schedule F **Computation of Net Income** See General Information I.

Income	1	a) Gross receipts or gross sales	b) Less returns and allowances	Balance	●	1c			
	2	Cost of goods sold. Attach federal Schedule A (California Schedule V).				●	2		
	3	Gross profit. Subtract line 2 from line 1c.				●	3		
	4	Dividends. Attach federal Schedule C (California Schedule H).				●	4		
	5	a Interest on obligations of the United States and U.S. instrumentalities.				●	5a		
		b Other interest. Attach schedule				●	5b		
	6	Gross rents				●	6		
	7	Gross royalties				●	7		
	8	Capital gain net income. Attach federal Schedule D (California Schedule D)				●	8		
	9	Ordinary gain (loss). Attach federal Form 4797 (California Schedule D-1)				●	9		
	10	Other income (loss). Attach schedule.				●	10		
11	<b>Total income.</b> Add line 3 through line 10				●	11			
Deductions	12	Compensation of officers. Attach federal Schedule E or equivalent schedule.				●	12		
	13	Salaries and wages (not deducted elsewhere).				●	13		
	14	Repairs				●	14		
	15	Bad debts				●	15		
	16	Rents				●	16		
	17	Taxes (California Schedule A)				●	17		
	18	Interest. Attach schedule.				●	18		
	19	Contributions. Attach schedule				●	19		
	20	Depreciation. Att. fed. Form 4562 (CA FTB 3885)				20			
	21	Less depreciation claimed elsewhere on return				21a			
						●	21b		
	22	Depletion. Attach schedule.				●	22		
	23	Advertising				●	23		
	24	Pension, profit-sharing, etc., plans				●	24		
	25	Employee benefit plans				●	25		
	26	a) Total travel and entertainment				b) Deductible amounts	●	26b	
	27	Other deductions. Attach schedule				●	27		
	28	Specific deduction for 23701r or 23701t organizations. See instructions				●	28		
	29	<b>Total deductions.</b> Add line 12 through line 28				●	29		
30	Net income before state adjustments. Subtract line 29 from line 11. Enter here and on Side 1, line 1				●	30			

Schedule V **Cost of Goods Sold**

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	●	3
4	a Additional IRC Section 263A costs. Attach schedule	4a	
	b Other costs. Attach schedule	4b	
5	Total. Add line 1 through line 4b	5	
6	Inventory at end of year	6	
7	Cost of goods sold. Subtract line 6 from line 5	7	

Method of inventory valuation ►

Was there any substantial change in the manner of determining quantities, costs or valuations between opening and closing inventory? . . . . . ☐ Yes ☐ No

If "Yes," attach an explanation. Enter California seller's permit number, if any ►

Check if the LIFO inventory method was adopted this income year for any goods. If checked, attach federal Form 970 . . . . . ☐

If the LIFO inventory method was used for this income year, enter the amount of closing inventory under LIFO

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the corporation? . . . . . ☐ Yes ☐ No

Schedule L Balance Sheets		Beginning of income year		End of income year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash . . . . .				•
2	a Trade notes and accounts receivable . . . . .			•	
	b Less allowance for bad debts . . . . .	( )		• ( )	•
3	Inventories . . . . .		•		•
4	Federal and state government obligations . . . . .				•
5	Other current assets. Attach schedule(s) . . . . .				•
6	Loans to stockholders/officers. Attach schedule. . . . .				•
7	Mortgage and real estate loans . . . . .				•
8	Other investments. Attach schedule(s). . . . .				•
9	a Buildings and other fixed depreciable assets . . . . .	•		•	
	b Less accumulated depreciation . . . . .	( )		• ( )	•
10	a Depletable assets . . . . .				
	b Less accumulated depletion . . . . .	( )		( )	
11	Land (net of any amortization) . . . . .		•		•
12	a Intangible assets (amortizable only) . . . . .			•	
	b Less accumulated amortization . . . . .	( )		( )	
13	Other assets. Attach schedule(s). . . . .				
14	<b>Total assets.</b> . . . . .		•		•
<b>Liabilities and stockholders' equity</b>					
15	Accounts payable . . . . .				•
16	Mortgages, notes, bonds payable in less than 1 year . . . . .				
17	Other current liabilities. Attach schedule(s) . . . . .				
18	Loans from stockholders . . . . .				•
19	Mortgages, notes, bonds payable in 1 year or more . . . . .				•
20	Other liabilities. Attach schedule(s). . . . .				•
21	Capital stock: a Preferred stock . . . . .			•	
	b Common stock . . . . .			•	•
22	Paid-in or capital surplus. Attach reconciliation . . . . .		•		•
23	Retained earnings — Appropriated. Attach schedule . . . . .				
24	Retained earnings — Unappropriated . . . . .				
25	Adjustments to shareholders' equity (attach schedule). . . . .				
26	Less cost of treasury stock . . . . .		( )		( )
27	<b>Total liabilities and stockholders' equity.</b> . . . . .				

**Schedule M-1 Reconciliation of income (loss) per books with income (loss) per return**

This schedule does not have to be completed if the amount on Schedule L, line 14, column (d), is less than \$25,000.

1	Net income per books. . . . .	•		7	Income recorded on books this year not included in this return (itemize)	
2	Federal income tax . . . . .	•		a	Tax-exempt interest \$	
3	Excess of capital losses over capital gains . . . . .	•				•
4	Taxable income not recorded on books this year (itemize) _____	•		8	Deductions in this return not charged against book income this year (itemize)	
5	Expenses recorded on books this year not deducted in this return (itemize)			a	Depreciation . . . \$	
	a Depreciation . . . . . \$			b	State tax refunds . . \$	
	b State taxes . . . . . \$					•
	c Travel and entertainment . . . . . \$			9	Total. Add line 7 and line 8 . . . . .	
		•		10	Net income per return. Subtract line 9 from line 6.	
6	Total. Add line 1 through line 5 . . . . .					

**Schedule M-2 Analysis of unappropriated retained earnings per books (Schedule L, line 24)**

This schedule does not have to be completed if the amount on Schedule L, line 14, column (d), is less than \$25,000.

1	Balance at beginning of year . . . . .	•		5	Distributions: a Cash . . . . .	•	
2	Net income per books . . . . .	•			b Stock . . . . .	•	
3	Other increases (itemize) _____				c Property . . . . .	•	
				6	Other decreases (itemize) _____	•	
		•		7	Total. Add line 5 and line 6 . . . . .		
4	Total. Add line 1 through line 3 . . . . .			8	Balance at end of year. Subtract line 7 from line 4.		